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REPORT OF THE PROCEEDINGS

AT THE

THIRTY-FIRST ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

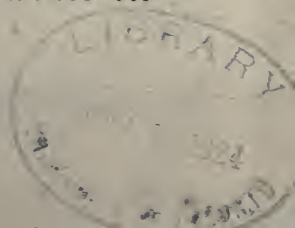
CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 2ND, 1912

AT THE

GENERAL OFFICES OF THE COMPANY AT
MONTREAL





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Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE THIRTY-FIRST ANNUAL MEETING OF
THE SHAREHOLDERS HELD AT MONTREAL ON
WEDNESDAY, OCTOBER 2ND, 1912.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The Chairman of the Company, Sir Thomas Shaughnessy, presided, and the Assistant Secretary of the Company acted as Secretary of the meeting.

The notice calling the meeting having been read by the Secretary, the President, Sir Thomas Shaughnessy, in moving the adoption of the report on the affairs of the Company for the fiscal year ended June 30th, 1912, which had been printed and distributed to the shareholders, said :—

“ The Thirty-first Annual Report of the Company, which I have the honour to submit on behalf of the Directors for your consideration and approval, covers the most prosperous year in the Company’s history, the gross operating income having exceeded one hundred and twenty-three million dollars, and the net balance, after providing for fixed charges and making the usual deductions, being thirty-three million seven hundred and fifty-two thousand dollars.

Each year there is apt to be some damage to the crops in one section or another of a country as vast as ours, and the cool weather and heavy rains that were so general during the past few weeks have, no doubt, had bad local effects, but in Western Canada there is the prospect that the grain crops will be larger than was estimated and of particularly good

quality. Unfortunately, the weather conditions and the shortage of farm help interfered with the threshing, and, as a consequence, the movement of the grain to the markets will crowd the facilities of the transportation lines between this time and the close of lake navigation. We hope, however, to escape anything in the nature of serious congestion, and we have reason to expect that the grain traffic and the general business of the Company during the next year will be at least as large as it was last year.

A second main line is now being laid between Regina and Chaplin, in the Province of Saskatchewan, and by the end of 1914 the double track should be completed and in use between Fort William and Calgary, a distance of 1,256 miles. The extension of the second track from Calgary to Revelstoke, where the line crosses the mountain ranges, will necessarily require most careful investigation and study at the hands of our engineers before a plan of operations can be determined upon, but a double track through this territory is urgently required to meet the demands of the traffic, and no unnecessary time will be lost in the commencement and prosecution of the work.

Among the other important works in hand are a second main line between Farnham and Montreal Junction, including the replacement of the bridge across the St. Lawrence River at Lachine by a double track structure designed for the heaviest train loads; a large sorting yard for freight trains at Montreal Junction; the Windsor Street passenger terminal at Montreal that will be finished about the end of the year and will provide more than twice the present station and yard accommodation; the warehouses and yards for local traffic that are being constructed on the Government House property and adjoining properties acquired by the Company in Toronto; the additional freight yards at Transcona, five miles east of Winnipeg, where about 400 acres of land are being covered with tracks and buildings to supplement the existing Winnipeg yards, among the largest in the world, but insufficient to accommodate the Company's traffic at that point; the large locomotive and car shops at Ogden, near Calgary, which will be

ready for use in the course of the next three or four months ; and the new station, overhead bridges and wharf facilities at Vancouver that it will take some time to complete.

Innumerable other works of lesser importance, but involving a large expenditure of money, all designed to facilitate the movement of traffic and to accommodate the public, have been executed or are in process of execution, and there would appear to be no limit to the demands of this kind that it will be necessary to meet if our business continues to expand as it has in the past.

The most prudent and effective method of providing money for all these purposes has the close and constant attention of your Directors and they believe that in the future, as in the past, the best interests of the Company and of Canada will be served by giving an opportunity to the Shareholders of the Company to furnish from time to time the additional capital on a basis that makes the investment reasonably attractive.

With the Four Per Cent. Consolidated Debenture Stock that your Directors are now authorized to issue and sell, the proceeds to be used in retiring outstanding bonds carrying a higher rate of interest, and in meeting expenditures for additional railway mileage heretofore constructed or acquired, and the Consolidated Debenture Stock that may be issued in respect of the proposed construction or acquisition of the several railway lines described in the Annual Report, that you will be asked to sanction at this meeting, there will be a total of approximately \$90,000,000 Four Per Cent. Consolidated Debenture Stock, in excess of all heretofore disposed of, that the Company will be authorized to issue and sell. Instead of going to the market with any considerable portion of this amount, your Directors recommend that you make use of the authority conferred upon you by the Parliament of Canada to issue ordinary shares of Capital Stock in lieu of Consolidated Debenture Stock, for the purposes for which you are authorized to issue Consolidated Debenture Stock, and to that end that you increase your ordinary share capital from \$200,000,000 to \$260,000,000 to be offered to

the Shareholders at the price of \$175 for each share of \$100, being at a premium of 75%, at a time and on terms of payment to be fixed by your Directors. The proceeds of this issue to the amount of \$60,000,000 will be used to meet expenditures for which the proceeds of Consolidated Debenture Stock would otherwise have been utilized, including the satisfaction and cancellation of all of the Company's outstanding 5% First Mortgage Bonds, amounting to \$33,766,000, on or before the date of their maturity, July 1, 1915, and the balance will be devoted to such additions and improvements to the Company's property, properly chargeable to capital account, as are in the opinion of your Directors necessary from time to time. (By this means the Company will be getting money on its ordinary share capital at a low rate of interest, taking the present dividend rate as a basis, its bond and debenture debt will be \$60,000,000 less, its fixed charges will be \$2,400,000 per annum less than they otherwise would have been, and its available funds for the purposes of the undertaking will be increased by \$45,000,000) Your Directors will recommend that this amount be supplemented by an appropriation of \$15,000,000 from your accumulated surplus, that might properly be distributed to the Shareholders but that will instead be expended on capital account in additions and improvements to your property.)

Pursuant to notice, the Annual General Meeting will, after the regular business has been disposed of, be made Special and the requisite resolutions to give effect to your Directors' recommendations with reference to the increase in the Ordinary Share Capital of the Company will be placed before you for your consideration and for such action as you may decide upon."

The report having been considered, it was moved by Sir Thomas Shaughnessy, seconded by Richard B. Angus, Esq., and unanimously

Resolved,—That the report on the affairs of the Company for the fiscal year ended 30th June, 1912, now submitted, be and the same is hereby adopted.

The following resolution relating to the issue of Four Per Cent. Consolidated Debenture Stock on account of Branch Lines and extensions of Branch Lines, referred to in the Annual Report, was submitted, and on motion of Sir William Van Horne, seconded by Wilmot D. Matthews, Esq., was unanimously adopted, viz.:—

Whereas the Branch Lines of railway and extensions set forth below have been constructed or are in course of construction and it is deemed desirable that authority be given to the Directors to issue Consolidated Debenture Stock to meet the requisite expenditure in connection therewith.

It is therefore resolved,—That the construction and equipment of the following branch lines and extensions of other branch lines which have been heretofore authorized, be and they are hereby approved, that is to say:—

1. An extension north-easterly of the Kerrobert North-easterly branch, a distance of 11 miles.

2. An extension westerly of the Weyburn-Lethbridge Branch, a distance of 100 miles, and easterly from a point near Stirling on the Alberta Railway & Irrigation Company's railway, a distance of 25 miles, in all 125 miles.

3. An extension south-easterly of the Wilkie-Anglia Branch, a distance of 4 miles.

4. An extension north-westerly of the Swift Current North-westerly Branch, a distance of 80 miles.

5. A branch from Boissevain westerly to a point near Lauder and known as the Boissevain-Lauder Branch, a distance of 37 miles.

6. A branch in a south-westerly direction from Suffield, a point on the main line and known as the Suffield South-westerly Branch, a distance of 55 miles.

And for the purpose of aiding the construction and equipment of the said branch lines and extensions of branch lines, the Directors may issue and dispose of Consolidated Debenture Stock of the Company to such an amount as they may deem expedient, not exceeding in the aggregate an amount equal to six thousand pounds sterling per mile in respect of the Kerrobert North-easterly Branch extension,

Wilkie-Anglia Branch extension, Swift Current North-westerly Branch extension, Boissevain-Lauder Branch and Suffield South-westerly Branch, and five thousand pounds sterling per mile in respect of the Weyburn-Lethbridge Branch extensions.

The following resolution relating to the lease to this Company of the Kingston & Pembroke Railway, referred to in the Annual Report, was submitted, and on motion of Henry Beatty, Esq., seconded by Clarence de Sola, Esq., was unanimously adopted, viz.:—

Resolved,—That the Indenture of Lease from the Kingston & Pembroke Railway Company as Lessor to the Canadian Pacific Railway Company as Lessee, of which a draft is submitted to this meeting, endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture, amongst other things, demises to this Company, for the term of nine hundred and ninety-nine years, the whole of that Company's railway, including the railway now in operation between the City of Kingston, in the County of Frontenac, and the Town of Renfrew, in the County of Renfrew, a distance of 103.4 miles, and from the Village of Godfrey to Zanesville Mine, both in the County of Frontenac, a distance of 4.1 miles, making in all a mileage of 107.5 miles, all in the Province of Ontario, and all other railways and branches heretofore or hereafter constructed and their appurtenances, at an annual rental of a sum equal to the interest payable upon the outstanding Mortgage Debentures which have been issued by the Lessor until the same have been redeemed, and also interest at a rate not exceeding four per cent. per annum, payable half-yearly, upon such other securities as the Lessor may at any time or times hereafter issue at the request of this Company, expressed in writing under its Corporate Seal, for the purpose of retiring existing securities and for other purposes; the payment of such interest being guaranteed by this Company, the aggregate of all such securities outstanding at any time not to exceed ten thousand dollars (\$10,000) per

mile of railway, either constructed or hereafter to be constructed.

And further resolved,—That the President and Secretary be and they are hereby authorized to execute the said Indenture on behalf of and under the Corporate Seal of this Company, with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the lease to this Company of the Alberta Central Railway, referred to in the Annual Report, was submitted and on motion of Sir Thomas Tait, seconded by Thomas Ogden, Esq., was unanimously adopted, viz.:—

Resolved,—That the Indenture of Lease from the Alberta Central Railway Company as Lessor to this Company as Lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture, amongst other things, demises to this Company for the term of nine hundred and ninety-nine (999) years, the whole of the Railways and branches which the said Alberta Central Railway Company has been by law authorized to construct, and whether constructed or to be constructed, including the railway now under construction extending from Red Deer to Rocky Mountain House, all in the Province of Alberta, a distance of about sixty-five (65) miles, and all other railways or branches which may be hereafter constructed by the Alberta Central Railway Company and their appurtenances at an annual rental of a sum equal to the interest payable on all Bonds carrying interest at a rate not exceeding four per cent. per annum payable half-yearly, which the Lessor may issue at the request of this Company expressed in writing under its Corporate Seal, the payment of such interest being guaranteed by this Company and the aggregate of all such Bonds outstanding not to exceed at any time the rate of thirty-five thousand dollars (\$35,000) per mile of railway constructed or under contract to be constructed.

And further, that the President and Secretary be and they are hereby authorized to execute the said Indenture on

behalf and under the Corporate Seal of this Company with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution authorizing the cancellation of the existing lease and the taking of a new lease to this Company of the St. Mary's and Western Ontario Railway, referred to in the Annual Report, was submitted, and on motion of Henri Jonas, Esq., seconded by Chas. R. Hosmer, Esq., was unanimously adopted, viz.:—

Resolved,—That the Board of Directors of this Company be and they are hereby authorized to take a lease from the St. Mary's and Western Ontario Railway Company for a term of 999 years of the whole of that Company's railway as now constructed from a point at or near the Town of St. Mary's to a point of connection with the Tilsonburg, Lake Erie and Pacific Railway at or near the Village of Embro, in the County of Oxford, all in the Province of Ontario, a distance of about $15\frac{1}{2}$ miles, and all other railways or branches heretofore or hereafter constructed by that Company and their appurtenances at an annual rental equal to the interest payable on all Bonds carrying interest at a rate not exceeding four per cent. per annum, payable half-yearly, which the St. Mary's and Western Ontario Railway Company has issued or at the request of this Company expressed in writing under its Corporate Seal may issue, the payment of such interest being guaranteed by this Company, and the aggregate of all such Bonds outstanding at any time not to exceed \$25,000 per mile of railway actually constructed or under contract to be constructed and the said lease to be in the form of a draft now submitted to this meeting endorsed by the Secretary of this Company for the purpose of identification;

And further resolved,—That the President and Secretary be and they are hereby authorized to execute the said Indenture of Lease on behalf of and under the Corporate Seal of this Company with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

And further resolved,—That the Directors be and they are hereby authorized to enter into an agreement with the said the St. Mary's and Western Ontario Railway Company for the cancellation of the existing Lease from that Company to this Company of the railway above described.

The following resolution relating to the purchase by this Company of the Cap de la Madeleine Railway, referred to in the Annual Report, was submitted, and on motion of Adam R. Creelman, Esq., seconded by Herbert Molson, Esq., was unanimously adopted, viz.:—

Resolved,—That the deed of conveyance from the Cap de la Madeleine Railway Company to this Company, a draft of which is submitted to this Meeting, endorsed by the Secretary for the purpose of identification and dated the 3rd day of October, 1912, whereby the Cap de la Madeleine Railway Company sells and conveys to this Company for the considerations therein expressed, its whole line of railway as now constructed, extending from a point on the North Shore Railway (part of this Company's system) near the City of Three Rivers to Cap de la Madeleine, a distance of 2.44 miles, and also the Branch or Spur Line of Railway connecting the Main Line with the premises of the Wayagamack Pulp and Paper Company, on Bellerive Island, in the River St. Maurice, a distance of 1.85 miles, all being in the Province of Quebec, together with the appurtenances thereof and all lands, properties and buildings and powers and franchises pertaining thereto and the purchase of the said properties by this Company be and the same are hereby sanctioned and approved;

And that the President and Secretary be and they are hereby authorized to execute the said deed of conveyance on behalf and under the Corporate Seal of this Company with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the lease to this Company of the New Brunswick Coal and Railway, referred to

in the Annual Report, was submitted, and on motion of J. G. Scott, Esq., seconded by James Ross, Esq., was unanimously adopted, viz.:—

Resolved,—That the Indenture of Lease from the Government of the Province of New Brunswick as Lessor, to this Company as Lessee, of the Railway known as the New Brunswick Coal and Railway, a draft of which is submitted to this Meeting, endorsed by the Secretary for the purpose of identification, whereby the Lessor demises to this Company for the term of 999 years the said railway known as the New Brunswick Coal and Railway, extending from a point at or near Minto, in the County of Sunbury, to a point of junction with the Intercolonial Railway, at or near Norton, in the County of Kings, Province of New Brunswick, a distance of approximately 58 miles, at an annual rental of 50% of the net earnings of the said railway as defined and calculated in the said proposed lease, be and the same is hereby sanctioned and approved and that the President and Secretary be and they are hereby authorized to execute the same on behalf and under the Corporate Seal of this Company, with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the lease to this Company of the Quebec Central Railway, referred to in the Annual Report, was submitted, and on motion of W. Molson Macpherson, Esq., seconded by Colin Campbell, Esq., was unanimously adopted, viz.:—

Resolved,—That the Indenture of Lease from the Quebec Central Railway Company, hereinafter referred to as the Quebec Company, as Lessor, to this Company as Lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture, amongst other things, demises to this Company, for the term of nine hundred and ninety-nine years, the whole of the railways and branches which the said Quebec Central Railway Company has been or shall be by law authorized to construct,

and whether constructed or to be constructed, including the railways now constructed and in operation extending from Sherbrooke to Harlaka Junction, a distance of about 137.5 miles and the trackage rights over the Intercolonial Railway from Harlaka Junction to Levis, a distance of about 5 miles; also the railway from Beauce Junction to St. Sabine, a distance of about 56 miles, and the railway from Tring to Megantic, a distance of about sixty miles, all in the Province of Quebec, and their appurtenances, at an annual rental equivalent to:—

(a) Interest at 4% per annum on the outstanding first Mortgage Debenture Stock of the Quebec Company and any further amounts of such stock as may hereafter be lawfully issued by the Quebec Company, with the consent of this Company;

(b) Interest at 3½% per annum on the Second Mortgage Debenture Stock of the Quebec Company so long as the same shall be outstanding, and thereafter the interest payable upon any such Bonds, Debentures or Debenture Stock as may be created and issued by the Quebec Company for the purposes of the redemption of or in substitution for the said Second Debenture Stock;

(c) Interest at 5% per annum upon the Third Mortgage Bonds of the Quebec Company so long as the same shall be outstanding and thereafter the interest payable upon any such Bonds, Debentures, or Debenture Stock as may be created and issued by the Quebec Company for the purposes of the redemption of or in substitution for the said Third Mortgage Bonds;

(d) A dividend upon the outstanding Capital Stock of the Quebec Company at 4% per annum for four years from 1st July, 1912, and thereafter at the rate of 5% per annum;

(e) Interest from time to time payable on any Bonds or Debenture Stock (if any) which the Quebec Company may at any time hereafter issue at the request of this Company.

And further, that the President and Secretary be, and they are hereby authorized to execute the said Indenture on

behalf and under the Corporate Seal of this Company, with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the lease to this Company of the Shuswap and Okanagan Railway, referred to in the Annual Report, was submitted, and on motion of John Theodore Ross, Esq., seconded by H. S. Holt, Esq., was unanimously adopted, viz.:—

Resolved,—That the Directors of this Company be and they are hereby authorized, whenever it is competent for the Company to do so, to take a lease from the Shuswap and Okanagan Railway Company for a term of 999 years, of the whole of that Company's railway as now constructed from a point on this Company's railway at Sicamous Narrows and running thence up the left bank of the Shuswap River and continuing in the same general direction to a point on Okanagan Lake near the north end thereof, all in the Province of British Columbia, a distance of about 50.8 miles and all other railways or branches heretofore or hereafter constructed by that Company and their appurtenances at an annual rental equal to the interest payable on the present outstanding Bond Issue of the Company amounting to \$1,250,000, bearing interest at the rate of 4% per annum and on all Bonds carrying interest at a rate not exceeding 4% per annum, payable half-yearly, which the Shuswap and Okanagan Railway Company may issue at the request of this Company expressed in writing under its Corporate Seal, the payment of such interest being guaranteed by this Company, the aggregate of all such Bonds not to exceed at any time the rate of \$35,000 per mile of railway actually constructed or under contract to be constructed, and the said lease to be in the form of a draft now submitted to this meeting, endorsed by the Secretary of this Company for the purpose of identification.

And further resolved,—That the President and Secretary be, and they are hereby authorized to execute the said Indenture of Lease on behalf of and under the Corporate Seal of this Company, with such verbal changes, if any, as they may

deem proper, not altering the substance thereof as above described.

And further resolved,—That the Directors be, and they are hereby authorized to enter into an agreement with the said the Shuswap and Okanagan Railway Company for the cancellation of the existing Lease from that Company to this Company of the railway above described and of all former agreements relating thereto.

The President laid on the table an Agreement dated 31st January, 1912, and made between His Majesty, in right of the Province of British Columbia, of the one part, this Company, The British Columbia Southern Railway Company and the Columbia and Western Railway Company, of the other part, which Agreement was ratified by the Legislature of British Columbia at its last Session, being in substance as follows :—

(a) Sale to the Province of lands in British Columbia of The British Columbia Southern Company's Land Grant and the Columbia and Western Company's Land Grant at 40c per acre, reserving thereout about 543,496 acres of the British Columbia Southern Land Grant and all timber on lands covered by timber permits in force at the date of the agreement;

(b) Release of the claim of the Province for taxes on the British Columbia Southern Land Grant;

(c) Payment to the Province by this Company of the amounts advanced by the Province for the payment of interest on the Bonds of the Shuswap and Okanagan Railway Company after crediting thereon the amounts received by the Province from the earnings of the said Railway Company, the Province to release both Companies from all liability to account for or to pay to the Crown any portion of the said Company's earnings and to be released from all further liability in respect of the payment of interest upon the Bonds of the said Company;

(d) The Province to sell to this Company the Kaslo and Slocan Railway in consideration of \$25,000 and the covenant

of this Company to reconstruct, maintain and continuously operate the same and to pay to this Company in respect thereof a Cash Subsidy of \$100,000.

On motion of Sir Edmund Osler, seconded by David McNicoll, Esq., it was unanimously resolved,—That the foregoing agreement, which is now laid on the table, be and the same is hereby ratified and confirmed.

The following resolution relating to a supplementary agreement with the Georgian Bay and Seaboard Railway Company, referred to in the Annual Report, was submitted, and on motion of Hon. F. L. Beique, seconded by Hon. Robert Mackay, was unanimously adopted, viz.:—

Whereas at the Annual Meeting of the Shareholders of this Company held on the 3rd day of October, 1906, a lease from the Georgian Bay and Seaboard Railway Company to this Company of the former Company's railway was duly authorized and the annual rental payable by this Company was limited by such Resolution to an amount equal to interest at 4% per annum upon a Bond issue of \$30,000 per mile of the said railway, being the maximum amount then authorized by Parliament;

And whereas the cost of the construction of the said railway has greatly exceeded the original estimate thereof and it has been found necessary to increase the Bond Issue to \$55,000 per mile of the said railway, which increase has been duly authorized by Parliament;

And whereas, pursuant to the said Resolution of 3rd October, 1906, a Lease of the said Railway to this Company was duly entered into between that Company and this Company, which Lease bears date the first day of January, 1910;

And whereas it is deemed desirable to increase the rental payable by this Company under the said Lease to an amount equal to the interest at the same rate upon the increased amount of the said Bond issue;

Therefore it is resolved as follows, that is to say :—

That the Directors of this Company be and they are hereby authorized and empowered to enter into a supplementary agreement with the Georgian Bay and Seaboard Railway Company to increase the limit of the said Company's Bond Issue upon which this Company has, in and by the said Lease, agreed to pay interest by way of rental, from \$30,000 to \$55,000 per mile of the railway and providing for the guarantee and payment of such interest by this Company and also, if deemed necessary, to amend the said Lease in accordance with this Resolution.

The following resolution relating to the lease to this Company of the Campbellford, Lake Ontario and Western Railway, referred to in the Annual Report, was submitted, and on motion of Major Geo. R. Hooper, seconded by C. Simpson Garland, Esq., was unanimously adopted, viz.:—

Resolved,—That the Indenture of Lease from the Campbellford, Lake Ontario and Western Railway Company as Lessor, to this Company as Lessee, of which a draft is submitted to this meeting, endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture, amongst other things, demises to this Company for the term of 999 years, the whole of the railways and branches of the said the Campbellford, Lake Ontario and Western Railway Company, whether constructed or to be constructed, including the railway now under construction from a point near Glen Tay Station on the Ontario and Quebec Railway (operated by this Company) about 3.97 miles West of Perth Station, thence south-westerly through the Counties of Lanark, Frontenac, Lennox and Addington, and Hastings, to the Northerly Shore of Lake Ontario, at or near the City of Belleville, thence westerly through the Counties of Hastings, Northumberland, Durham, Ontario and York and the Towns of Trenton, Brighton, Cobourg, Port Hope, Bowmanville, Oshawa and Whitby, to a point of connection with the main line of the said the Ontario and Quebec Railway about half a mile to the east of Agincourt

Station, all in the Province of Ontario, a distance of about 183.5 miles, and all other railways and branches hereafter constructed by that Company and their appurtenances, at an annual rental of a sum equal to the interest payable on all bonds carrying interest at a rate not exceeding 4% per annum, payable half-yearly, which the Lessor may issue at the request of this Company expressed in writing under its Corporate Seal, the payment of such interest being guaranteed by this Company and the aggregate of all such bonds outstanding not to exceed sixty-five thousand dollars per mile of railway either constructed or under contract to be constructed.

And further, that the President and Secretary be, and they are hereby authorized to execute the said Indenture of Lease on behalf and under the Corporate Seal of this Company, with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the lease to this Company of the Kettle Valley Railway, referred to in the Annual Report, was submitted and on motion of W. H. Evans, Esq., seconded by G. R. W. Notman, Esq., was unanimously adopted, viz:—

Resolved,—That the Directors be and they are hereby authorized, whenever it is competent for the Company to do so, to take a lease from the Kettle Valley Railway Company of the said Company's railways and branches, whether constructed or to be constructed, for a term of 999 years, including the railways constructed or now under contract to be constructed (a) from a point on the International Boundary near Danville, via Grand Forks to Lynch Creek, a distance of 23.5 miles up the North Fork of the Kettle River, (b) from a point on the Columbia and Western Railway at Midway to a junction near Merritt with the Nicola, Kamloops and Similkameen Railway, a distance of about 270 miles, also the projected line of railway from the Coldwater River to a point at or near Ruby Creek on the Fraser River, and known as the Coquihalla Branch, all in the Province of

British Columbia, and their appurtenances at an annual rental of a sum equal to the interest payable on all Bonds bearing interest at a rate not exceeding 4% per annum, payable half-yearly, which the said the Kettle Valley Railway Company may issue at the request of this Company expressed in writing under its Corporate Seal, the payment of such interest being guaranteed by this Company, the aggregate of all such Bonds outstanding not to exceed at any time the rate of \$50,000 per mile of the said Coquihalla Branch, and \$40,000 per mile of the other railways of the said Company then either constructed or under contract to be constructed; and the said lease to be in the form of a draft now submitted to this Meeting and endorsed by the Secretary for the purpose of identification.

And further,—That the President and Secretary be and they are hereby authorized to execute the said Indenture on behalf of and under the Corporate Seal of this Company with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The meeting then proceeded to the election of Directors to replace the four retiring Directors, and on motion of Sir Thomas Shaughnessy, seconded by Richard B. Angus, Esq., the following resolution was unanimously adopted, viz. :—

Whereas in pursuance of By-law No. 6, Wilmot D. Matthews, Esq., Sir Sandford Fleming, K.C.M.G., Adam R. Creelman, Esq., K.C., and Sir William Whyte, Directors of the Company, retire from office at this meeting ;

And whereas four Directors to replace the said retiring Directors, who are, however, eligible for re-election, must be elected at this meeting for the term of four years as provided for in the said By-law ;

It is resolved that a ballot be now taken for the election of four Directors for the term of four years to fill the vacancies created as above stated: that Charles Meredith, Esq., and William R. Miller, Esq., be appointed scrutineers to take such ballot, and that the poll be closed when five minutes shall have elapsed without a vote being cast at such election.

The ballot having been taken and no further votes having been cast within the specified time, the Chairman read the report of the scrutineers which declared that Wilmot D. Matthews, Esq., Sir Sandford Fleming, K.C.M.G., Adam R. Creelman, Esq., K.C., and Sir William Whyte had been unanimously re-elected Directors of the Company for the term of four years from the date of this meeting and the report was adopted.

The meeting was thereupon made special for the consideration of the special business mentioned in the notice convening the same, and the following resolution, authorizing the issue of Consolidated Debenture Stock of this Company to acquire the outstanding securities of the Dominion Atlantic Railway Company, was submitted, and on motion of C. E. Gault, Esq., seconded by Alfred Piddington, Esq., was unanimously adopted, viz. :—

Whereas the Shareholders at their Annual Meeting held on 5th October, 1910, passed a Resolution authorizing the Directors, whenever the Company was competent to do so, to acquire all or any portion of the securities of the Dominion Atlantic Railway Company upon such terms as they may deem advisable ;

And whereas the said Company has leased its railways to this Company for a term of 999 years and this Company now has the necessary Statutory authority to acquire the said securities, being First Debenture Stock £500,000 sterling, Second Debenture Stock £440,000 sterling and Extension Debenture Stock £292,500 sterling, the interest upon which has been guaranteed by this Company ;

And whereas it is deemed desirable to create and issue Consolidated Debenture Stock of this Company for the purpose of acquiring the said securities ;

Now therefore it is resolved as follows, that is to say :—

That the Directors may issue and dispose of Consolidated Debenture Stock of the Company to such amount as they

may deem expedient and necessary for the purpose of acquiring the aforesaid securities, not exceeding in the aggregate the sum of £1,232,500 sterling.

The following resolution authorizing an increase of the Company's Ordinary Capital Stock was submitted and on motion of Sir William Van Horne, seconded by Richard B. Angus, Esq., was unanimously adopted, viz. :—

Whereas under and by virtue of "The Canadian Pacific Railway Act, 1889," being Chapter 69 of 52 Victoria Statutes of Canada, and resolution of the Shareholders of the Company adopted unanimously at a Special General Meeting, held on May 8th, 1889, the requisite authority was given for the creation, issue and sale of Four Per Cent. Consolidated Debenture Stock for the purpose of satisfying certain obligations of the Company existing at that time and part of which, exceeding \$33,000,000 in amount, are at present outstanding;

And whereas under and by virtue of various other Acts of the Parliament of Canada, and of various other Resolutions passed at Annual and Special General Meetings of the Company, the Directors have been duly empowered to create, issue and sell Four Per Cent. Consolidated Debenture Stock to the amount of approximately \$57,891,000 in excess of all amounts heretofore created, issued and sold, to meet the expenditure for lines of railway constructed, or in course of construction, the purchase of steamships, and otherwise on capital account ;

And whereas it is manifestly in the best interests of the Company that its bond and debenture stock liabilities and the consequent annual fixed charges should be kept at as low a figure as circumstances will permit ;

And whereas in and by Section 2 of "The Canadian Pacific Railway Act, 1892," being chapter 35 of 55-56 Victoria Statutes of Canada, it was enacted as follows, that is to say :

"2. The Company, being first authorized so to do by a vote of at least two-thirds of its Shareholders present or represented at a Special General Meeting duly called for

“ the purpose, may at any time issue ordinary shares of
 “ Capital Stock in lieu of Consolidated Debenture Stock for
 “ any purpose for which it is at the time authorized to issue
 “ Consolidated Debenture Stock; and whenever it shall do so
 “ then its right to issue Consolidated Debenture Stock for
 “ that purpose shall cease.”

And whereas the authorized Ordinary Capital Stock of the Company is \$200,000,000, divided into 2,000,000 shares of the par value of \$100 each, and it is deemed advisable to increase the same to \$260,000,000 by the issue of an additional \$60,000,000 under the authority of the Act last above recited, in lieu of Consolidated Debenture Stock of a like amount, which the Company is now authorized to issue ;

And whereas this meeting has been duly called for the purpose of considering, and, if approved, of authorizing such increase ;

Now therefore it is resolved as follows, that is to say :

(1) That an increase of the Company's Ordinary Capital Stock to the extent of 600,000 shares of the par or face value of \$100 each, over and above the amount of 2,000,000 shares of the par or face value of \$100 each, which this Company has been heretofore empowered to issue, is hereby authorized and approved, such increase to be in lieu of Consolidated Debenture Stock of a like amount which the Company is at the present time authorized to issue.

(2) That the said increase of Ordinary Capital Stock be issued and disposed of by the Directors in such manner and form, at such price, not less than par, at such time or times and upon such terms of payment as the Directors may determine, and the Directors are hereby authorized to adopt any resolutions or by-laws that they may deem necessary in order to give full effect to this resolution.

(3) That the proceeds of the sale of the said stock be supplemented by an appropriation of \$15,000,000 from the Company's surplus.

(4) That the proceeds of the said increase of Capital Stock shall be applied, so far as necessary, to the purposes for which

the proceeds of Consolidated Debenture Stock to a like amount, and in lieu of which the said increase of Ordinary Capital is to be issued, would have been applied if such Consolidated Debenture Stock had been created and sold, and that the balance of the proceeds and the appropriation from surplus shall be applied in constructing second tracks, improving the Company's property, adding to its facilities and equipment and in the execution of such other works as, in the opinion of the Directors, are desirable in connection with the Company's business.

The proceedings then terminated.

T. G. SHAUGHNESSY,
Chairman.

E. ALEXANDER,
Assistant Secretary.

At a Meeting of the Board held immediately after the Shareholders' meeting, Sir Thomas G. Shaughnessy, K.C.V.O., was re-elected President of the Company, and Mr. David McNicoll, Vice-President, and the following were appointed the Executive Committee :

Mr. RICHARD B. ANGUS.

Mr. DAVID McNICOLL.

SIR EDMUND B. OSLER, M.P.

SIR THOMAS G. SHAUGHNESSY, K.C.V.O.

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL,
G.C.M.G.

SIR WILLIAM C. VAN HORNE, K.C.M.G.

